Calendar No. 709

84TH CONGRESS, 1st Session | SENATE | REPORT No. 703

LOAN PROGRAM SIMPLIFICATION

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. SCOTT, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1758]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1758) to amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill would simplify and reduce the cost of the insured farm ownership loan program under title I of the Bankhead-Jones Farm Tenant Act. The bill and the committee amendments are fully explained in the attached subcommittee report and the attached letter from the Department of Agriculture requesting this legislation. There was no opposition to the bill.

REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON S. 1758

Your subcommittee, to whom was referred the bill (S. 1758) to amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans, having considered the same report thereon with the recommendation that it do pass with amendments.

S. 1758, with the subcommittee amendments, would simplify administration (thereby reducing costs) of the insured farm ownership loans provided for by the Bankhead-Jones Farm Tenant Act by—

(1) Permitting mortgages securing insured loans to be made direct to the Secretary of Agriculture (instead of to the lender), thereby eliminating the need for the lender's consent to loan servicing actions affecting the mortgage, making the loans more readily transferable since many States require recording of mortgage assignments, and removing the loans from classification as real estate loans for the purpose of limitations on the amount of such type of loans which banks may hold;

(2) Permitting conversion of (i) insured mortgages and (ii) direct loans to this new type of direct mortgage insured loan;

(3) Eliminating, in the case of these direct mortgage insured loans, the lender's option to collect the insurance where the borrower is in default for 12 months and eliminating the necessity of notifying holders of such loans of such default (since the default is of no consequence to the lender, who receives amounts equal to the defaulted payments from the insurance fund, and since it is to the Government's advantage to postpone payments from the insurance fund, particularly where the default may be cured);

(4) Eliminating the requirement that the Secretary act "promptly" in (i) remitting collections to lenders (since some borrowers repay as often as twice a month and cumulating these payments would save bookkeeping costs) and (ii) advising lenders of borrowers' defaults and paying the amounts defaulted (since short delays by borrowers should not necessitate drawing on the insurance fund); and

(5) Making default in payment of principal or interest the only kind of default entitling holders of old type insured mortgages to notice or to collection from the insurance fund (rather than every breach of a covenant which might be regarded as a default).

As introduced, the bill would permit only loans insured or made prior to enactment of the bill to be converted to the new direct mortgage type insured loan. This would mean that even those loans insured or made between enactment of the bill and issuance of regulations providing for the new type loans could not be converted. In order to make it possible for all loans to be converted and a uniform system to be established, your subcommittee recommends that the word "heretofore" be deleted from lines 22 and 23 on page 2.

The views of the Department of Agriculture are attached.

OLIN D. JOHNSTON, *Chairman.*
CLINTON P. ANDERSON.
W. KERR SCOTT.
KARL E. MUNDT.
ANDREW F. SCHOEPPEL.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, April 4, 1955.

The PRESIDENT OF THE SENATE,
United States Senate:

There is submitted herewith for consideration by the Congress, a proposed bill which would amend title I of the Bankhead-Jones Farm Tenant Act, as amended, in several aspects.

The amendments proposed are primarily for the purpose of simplifying the administration of the insured mortgage provisions of the act. The first section of the proposed bill would authorize the Secretary of Agriculture to insure loans and to secure such loans by mortgages taken with the Government named as mortgagee, rather than the insured lender named as mortgagee. The lender would hold only the note endorsed for insurance. This change would eliminate the necessity of requesting insured lenders to consent to loan servicing actions such as subordinations, partial releases, and satisfactions. Since the full payment of principal and interest is guaranteed, many lenders have objected to the fact that their consent is now required in connection with many loan servicing actions. The first section of the proposed bill would remove these objections and the cost, both to the Government and the lender, in connection with such servicing actions, would be reduced. It is likely that more lenders would be interested in making loans insured under this proposed simplified procedure.

The proposed addition of section 16 (c) to the act would authorize the conversion of existing insured mortgages to insured loans as outlined above. The conversion of mortgages heretofore insured is desirable in connection with the proposed insurance of loans, so that the servicing of all insured loans can be handled in the same manner. Administrative costs would be reduced when this is accomplished.

Under section 16 (c), the Secretary would also be authorized to convert any direct loans heretofore made under the act to insured loans. The result would be to return Federal funds to the Treasury at the time of such conversion rather than when payments are received from the borrower. This would be a further step in the maximum utilization of private and cooperative funds for agricultural credit.

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Section 16 (d) of the proposed bill provides that the holder of a note insured or converted under the proposed section 16 would not be entitled to assign the note to the Secretary for its full value as provided in section 13 (a) at the end of 1 year from the date of default, but would be entitled to the value of the note only pursuant to a repurchase agreement under section 12 (j) or when the assignment of the note is required by the Secretary in default cases under section 13 (d). Some borrowers may be unable to make the full annual payment at the time it is due because of crop failures or similar reasons. Some are unable to make up the full defaulted payments within 12 months. In cases in which the borrower can be expected to cure the default within a reasonable period, the present requirement that, at the option of the lender, the defaulted mortgage be purchased at the end of 12 months from the date of default puts an unwarranted burden on the insurance fund. Under the proposed bill, the lender will continue to receive the annual installments either from the borrower's payments or from the fund until the default is corrected. The lender will be required to hold the mortgage until the default is serious enough to warrant foreclosure or other action to liquidate the borrower's account. Upon the adoption of this provision, no good purpose would be served by sending the lender a notice of default. This amendment would eliminate one costly step in loan servicing.

Section 2 of the bill proposes a clarification of the provisions of section 12 (f) (1) of the act relating to the remittance of collections to the insured lender and to notification to the lender of defaults by the borrower. The act now provides that any collections shall be promptly remitted to the lender, and also contains a prohibition against provisions in the mortgage restricting prepayments. While these loans are amortized in annual installments, some borrowers make payments as frequently as twice a month. The remittance of each of these collections to the lender imposes an additional bookkeeping cost out of proportion to the amount of the collection. Under the proposed bill, collections could be accumulated by the Government and remitted to the lender, probably at intervals of not to exceed 3 months. The cost to the Government and to the lender in entering credits on the account would be reduced under this proposal.

The act now provides that the Secretary shall notify the lender promptly of any default. It also provides that after the loan has been in default for more than 1 year, the lender is entitled to the benefits of the insurance. It is proposed in sections 2, 3, and 4 of the bill with respect to insured mortgages held by lenders, to limit the notice to be given to the lender in cases where the default is in repayment of principal and interest, rather than in every case of a breach of any covenant in the mortgage which might be considered a default. The right to insurance benefits on such insured mortgages would also be limited to defaults in the payment of principal and interest installments. Also, it will be possible to avoid drawing on the mortgage insurance fund to pay lenders who hold mortgages to cover delays, not to exceed 30 days, by borrowers in making their payments after the due date of 1 installment. These changes would further reduce the cost of administration without any substantial interference with the rights of the holders of the insured notes.

The enactment of these proposed amendments would make it possible for the procedures for insured loans under the act to be consistent with those under Public Law 597, 83d Congress, in connection with soil and water conservation loans.

The proposed amendments will not require any increase in budget expenditures. The cost of converting insured mortgages and direct loans to insured loans under section 16 (c) of the proposed bill can be absorbed.

The Department recommends the enactment of the proposed legislation.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

TITLE I—TENANT PURCHASE LOANS AND MORTGAGE INSURANCE

SEC. 12. * * *

* * * * * * *

(f) (1) The Secretary shall [promptly] remit to the mortgagee under any mortgage insured under this title any sums collected by [it] *him* as agent for the mortgagee. The Secretary shall [promptly] advise any such mortgagee of any default *in the payment of principal or interest* by the mortgagor.

(2) If the mortgagor has failed to pay to the Secretary the full amount of any installment on or before the due date thereof, the Secretary shall pay [promptly] the unpaid amount of such installment of principal and interest to the mortgagee, less the amount of any previous prepayments except payments from proceeds from the voluntary or involuntary sale of any part of the mortgaged property or from royalties from leases under which the value of the security is depreciated.

* * * * * * *

SEC. 13. (a) In any case in which the mortgagor under a mortgage insured under [section 12] *this title* is in default *in the payment of principal or interest* for more than twelve months, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon assignment to the Secretary of (1) all the mortgagee's rights and interests arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction; (3) all policies of title or other insurance and all surety bonds and other guaranties and any and all claims thereunder relating to the mortgage or the mortgaged property; (4) any balance of the mortgage loan not advanced to the mortgagor; and (5) any cash or property held by the mortgagee, or to which he is entitled, as deposit made for the account of the mortgagor and which has not been applied in reduction of the principal of the mortgage indebtedness; and upon transfer to the Secretary of such originals or copies of records, documents, books, papers and accounts relating to the mortgage transaction, as the Secretary prescribes. Upon such assignment and transfer, the Secretary shall pay to the mortgagee, in cash, an amount equal to the value of the mortgage and the note and mortgage shall thereupon become a part of the fund. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Secretary, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount of all unpaid interest and the amount of all payments which have been made by the mortgagee for taxes, special assessments, water rates, and other payments in discharge of liens which are prior to the mortgage, and insurance on the property mortgaged, and by deducting from such total amount any amount received on account of the mortgage indebtedness after such default.

* * * * * * *

SEC. 16. (a) The Secretary is authorized to insure and to make commitments for the insurance of loans made for the purposes specified in this title (including those made in accordance with the Act of October 19, 1949) and to take as security for the obligations entered into in connection with such loans first mortgages on the farms with respect to which such loans are made and such other security as may be required by the Secretary. Such mortgages shall create a lien running to the United States for the benefit of the fund, notwithstanding the fact that the note may be held by the lender or his assignee.

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(b) Loans insured under this section shall be subject to all the provisions of this title, except as otherwise provided in this section, and with respect to such loans, the terms used in this Act shall have the following meanings as the context requires:

(1) "Mortgage" shall mean "loan" or "the instruments relating to a loan";

(2) "Insured mortgage" shall mean "note endorsed for insurance";

(3) "Mortgagor" shall mean "borrower" or "obligor on the note";

(4) "Mortgagee" shall mean "lender" or "holder of insured note."

(c) Any mortgage heretofore insured or any loan heretofore made under this Act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of appropriations for administrative expenses.

(d) In connection with loans insured or converted under this section (1) the holder of the insured note shall be entitled to receive the benefits of the insurance as provided in section 13 (a) only in accordance with an agreement pursuant to section 12 (j) or when the assignment of the note is required by the Secretary, and (2) notice of default to the lender under section 12 (f) shall not be required.

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Calendar No. 710

84TH CONGRESS, 1st Session | SENATE | REPORT No. 704

PROGRAM FOR EXPANDED RESEARCH IN TOBACCO PRODUCTION, UTILIZATION, AND MARKETING

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. SCOTT, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. J. Res. 75]

The Committee on Agriculture and Forestry, to whom was referred the resolution (S. J. Res. 75) directing a study and report by the Administrator of the Agricultural Research Service of the Department of Agriculture proposing an expansion of the tobacco production, utilization, and marketing research program, with primary emphasis on basic research, having considered the same, report thereon with a recommendation that it do pass with amendments.

This resolution would direct the Administrator of the Agricultural Research Service to prepare and submit to Congress a program for expanded tobacco production, utilization, and marketing research. Tobacco has ranked fifth in recent years in farm income, and tobacco taxes produce a billion and a half in revenue for the Federal Government each year. Meanwhile the Federal Government has been spending only about a half a million a year on tobacco research, and the average loss from tobacco diseases alone has been nearly one-fourth of the value of the crop over the past 10 years.

No additional funds are authorized by the resolution, which provides only for submission to Congress of a program.

The committee amendments do not change the substance of the resolution, but are intended to remove any implication that the proposed program might extend beyond research in production, utilization, and marketing such as might normally fall within the jurisdiction of the Department of Agriculture.

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Calendar No. 712

84TH CONGRESS, 1st Session | SENATE | REPORT No. 706

AMENDING SECTION 1 OF THE ACT OF MARCH 12, 1914

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 3338]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 3338) to amend section 1 of the act of March 12, 1914, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H. R. 3338 is to permit the Alaska Railroad to make leases of railroad property, particularly land along the right-of-way and in or adjacent to the railroad yards, for periods up to 55 years. Inability of the Railroad to make such long-term leases is at present preventing industrial use of trackside property in some cases and hindering the mission of the Railroad to develop the Territory of Alaska. At present, under section 1 of the act of March 12, 1914 (38 Stat. 305), as amended (48 U. S. C., sec. 301), such leases may not be made for periods longer than 20 years.

Prior to the liquidation of the Reconstruction Finance Corporation, it was possible for national banks to make loans for construction of commercial facilities on land held under lease for 20 years. Under present law, national banks are prohibited from lending money secured by a mortgage constituting a first lien on real estate held under lease when the lease has a period of less than 50 years to run from the date the loan is made or acquired by the national bank (12 U. S. C., sec. 371). Enactment of this bill will enable leaseholders of the Alaska Railroad to be eligible for construction loans from national banks.

H. R. 3338 was introduced as a result of an executive communication from the Department of the Interior, which recommended that such leases might be made for periods not in excess of 50 years. The House of Representatives amended that request to provide for 55-year

leases, thus allowing a margin of time for working out construction plans and financing programs. Your committee concurs with that change.

Following is the departmental request for enactment of the bill:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., January 25, 1955.

The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington 25, D. C.

MY DEAR MR. SPEAKER: Enclosed herewith is a draft of a proposed bill to amend section 1 of the act of March 12, 1914. I suggest that the proposed bill be referred to the appropriate committee for consideration, and I recommend that it be enacted.

Section 1 of the act of March 12, 1914 (38 Stat. 305), as amended (48 U. S. C., sec. 301), authorizes the President, through such officers and agents as he may designate, to locate, operate, and construct a railroad in Alaska. The section specifically authorizes him "* * * in his discretion, to lease the said railroad or railroads, or any portion thereof, including telegraph and telephone lines, after completion under such terms as he may deem proper, but no lease shall be for a longer period than twenty years * * *". The proposed bill would amend this language in order to authorize the leasing of the railroad, or any portion of it, for 50, rather than 20, years.

In order to conduct its operations effectively, the Alaska Railroad, an agency of this Department, has from time to time been required to lease portions of its property for industrial warehouse purposes. It is essential to the operation of the Alaska Railroad, as it is to the operation of railroads in the States, that property by made available for this purpose near the railroad tracks to the railroad's customers.

This Department has concluded that the language quoted above precludes the leasing for periods in excess of 20 years of small tracts of land for industrial warehousing purposes. Prior to the liquidation of the Reconstruction Finance Corporation, it was possible for national banks to participate in loans for the construction of commercial enterprises on leaseholds not exceeding 20 years. The 20-year limitation in section 1 of the act of March 12, 1914, consequently presented no problem so long as the RFC was in existence.

Now, however, national banks are prohibited from loaning money secured by a mortgage constituting a first lien on real estate held under lease when the lease has a period of less than 50 years to run from the date the loan is made or acquired by the national bank (12 U. S. C., sec. 371). Because virtually all of the banks in the principal communities of the Alaska railbelt area are national banks, it has become almost impossible for the railroad's patrons to develop their businesses with the aid of local capital. The purpose of the proposed bill is therefore to authorize the railroad to enter into leases for industrial warehousing purposes for periods up to 50 years.

We recognize that enactment of the proposed bill would also have the effect of authorizing the leasing of the entire railroad for a period of 50 years. Although this Department has no immediate plan to lease the Alaska Railroad to a private operator, it is likely that, if such an arrangement were to be made, a private operator would be disinclined to lease the railroad for a period of less than 50 years. I therefore believe that enactment of the proposed legislation is not only essential with respect to the problem of industrial warehouse leases, but that it would be highly desirable in connection with the possible leasing of the railroad itself to private interests.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

A BILL To amend section 1 of the Act of March 12, 1914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1 of the Act of March 12, 1914 (38 Stat. 305), as amended (48 U. S. C., sec. 301), is further amended by striking out the word "twenty" and inserting in lieu thereof the word "fifty".

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CHANGES IN EXISTING LAW

In compliance with the Cordon rule (subsec. (4) of rule XXIX of the Standing Rules of the Senate), changes in existing law made by the bill (H. R. 3338), as reported, are shown as follows (existing law proposed to be repealed is enclosed in black brackets, additions to existing law are italicized; existing law in which no change is proposed is shown in roman):

First sentence of section 1 of the act of March 12, 1914 (38 Stat. 305):

TITLE 48, UNITED STATES CODE

§ 301. The President of the United States is empowered, authorized, and directed to adopt and use a name by which to designate the railroad or railroads and properties to be located, owned, acquired, or operated under the authority of sections 301, 302, and 303–308 of this title; to employ such officers, agents, or agencies, in his discretion, as may be necessary to enable him to carry out the purposes of said sections; to authorize and require such officers, agents, or agencies to perform any or all of the duties imposed upon him by the terms of said sections; to detail and require any officer or officers in the Engineer Corps in the Army or Navy to perform service under said sections; to fix the compensation of all officers, agents, or employees appointed or designated by him; to designate and cause to be located a route or routes for a line or lines of railroad in the Territory of Alaska not to exceed in the aggregate one thousand miles, to be so located as to connect one or more of the open Pacific Ocean harbors on the southern coast of Alaska with the navigable waters in the interior of Alaska, and with a coal field or fields so as best to aid in the development of the agricultural and mineral or other resources of Alaska, and the settlement of the public lands therein, and so as to provide transportation of coal for the Army and Navy, transportation of troops, arms, munitions of war, the mails, and for other governmental and public uses and for the transportation of passengers and property; to construct and build a railroad or railroads along such route or routes as he may so designate and locate, with the necessary branch lines, feeders, sidings, switches, and spurs; to purchase or otherwise acquire all real and personal property necessary to carry out the purposes of said sections; to exercise the power of eminent domain in acquiring property for such use which use is declared to be a public use, by condemnation in the courts of Alaska in accordance with the laws now or hereafter in force there; to acquire rights-of-way, terminal grounds, and all other rights; to purchase or otherwise acquire all necessary equipment for the construction, and operation of such railroad or railroads; to build or otherwise acquire docks, wharves, terminal facilities, and all structures needed for the equipment and operation of such railroad or railroads; to fix, change, or modify rates for the transportation of passengers and property, which rates shall be equal and uniform, but no free transportation or passes shall be permitted except that the provisions of the interstate commerce laws relating to the transportation of employees and their families shall be in force as to the lines constructed under said sections; and except also that the issuance of passes to ministers of religion, traveling secretaries of Railroad Young Men's Christian Associations, and persons exclusively engaged in charitable and eleemosynary work when engaged in their work in Alaska; to indigent, destitute, and homeless persons inmates of hospitals and charitable and eleemosynary institutions, and to such persons when transported by charitable societies or hospitals and the necessary agents employed in such transportation; to newsboys on trains, persons injured in wrecks, and physicians and nurses attending such persons; the interchange of passes for the officers, agents, and employees of common carriers, and their families; and the carrying of passengers free with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation is permitted; to receive compensation for the transportation of passengers and property, and to perform generally all the usual duties of a common carrier by railroad; to make and establish rules and regulations for the control and operation of said railroad or railroads; in his discretion, to lease the said railroad or railroads, or any portion thereof, including telegraph and telephone lines, after completion under such terms as he may deem proper, but no lease shall be for a longer period than [twenty] *fifty-five* years, or in the event of failure to lease to operate the same until the further action of Congress. * * *

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Calendar No. 713

84TH CONGRESS, 1st Session | SENATE | REPORT No. 707

ABOLISHING THE OLD KASAAN NATIONAL MONUMENT, ALASKA

JULY 7 (legislaive day, JULY 6) 1955.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 4046]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 4046) to abolish the Old Kasaan National Monument, Alaska, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H. R. 4046 is to abolish the Old Kasaan National Monument, located in southeast Alaska, and to restore the lands to the Tongass National Forest, which entirely surrounds them, for administration. The bill was initiated by the Department of the Interior, and introduced at the Department's request.

Old Kasaan National Monument, containing approximately 38 acres of land, was established by President Woodrow Wilson's Executive order of October 25, 1916 (39 Stat. 1812). It was ordered set aside as a national monument at that time so that remnants of an ancient aboriginal Indian village might be preserved. This village had been abandoned in 1900, the inhabitants having moved to a nearby cannery site. Remaining were some houses, totem poles, and a burial ground.

In more than 38 years, funds have never been made available for administration of the area as a national monument. The Department of the Interior advises that the structures have largely disintegrated and that the area is no longer suitable for retention in the national park system. The Department of the Interior therefore recommends that the lands be returned to the national forest which completely surrounds them.

The executive communication from the Department of the Interior is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., February 9, 1955.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Enclosed is a draft of a proposed bill to abolish the Old Kasaan National Monument, Alaska, and for other purposes. This would provide for the abolishment of the national monument and administration of the lands as a part of the Tongass National Forest.

We shall appreciate the reference of this proposed bill to the appropriate committee for consideration. We recommend that it be enacted.

Old Kasaan National Monument was established by proclamation of the President on October 25, 1916 (39 Stat. 1812). The purpose of the monument was to preserve certain historic aboriginal ruins of the former Haida Indian village, known as Old Kasaan, situated upon public lands of the United States on Prince of Wales Island within the Tongass National Forest. We have reached the conclusion that the national monument should be abolished because we feel the area is no longer suitable for retention in the national park system. No funds have been made available for its administration, and our field studies and investigations disclose that the ruins in the area, which include totem poles, grave houses, and monuments, as well as portions of the original framework of buildings, have largely disintegrated due to the wet, humid climate of southeastern Alaska. Reconstruction of these features or their preservation in that climate would be extremely costly and we believe would not be justified. In these circumstances, we recommend that the lands be returned to national forest administration as provided under the terms of the enclosed draft of bill.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

During the last Congress an identical bill, H. R. 7912, was considered. A report on that measure from the Department of Agriculture is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 16, 1954.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN MILLER: This is in response to your recent request for a report by this Department on H. R. 7912, a bill to abolish the Old Kasaan National Monument, Alaska, and for other purposes.

H. R. 7912 would abolish the Old Kasaan National Monument, which is within the Tongass National Forest in Alaska, and would direct the lands thereafter to be administered as part of the national forest. The Old Kasaan National Monument was established by proclamation of the President on October 25, 1916 (39 Stat. 1812). All of the 38 acres of this monument are within the boundaries of the Tongass National Forest. By the terms of the proclamation, creation of the monument did not extinguish the area's national forest status, but merely superimposed the monument status. Since 1933 the monument has been under the jurisdiction of the National Park Service, Department of the Interior.

The Old Kasaan National Monument includes the site of a village built several generations ago by the Haida Indians. Descendants of the original inhabitants of the village now reside principally at a new village of Kasaan about 12 miles from the monument area. The purpose of the national monument was to preserve certain buildings, totem poles, grave houses, and other ruins of early Haida culture contained in the Indian village.

The totem poles formerly at Old Kasaan have been removed to the new village or elsewhere. Fire and weathering have largely destroyed the buildings and other aboriginal ruins and the site is reverting to forest. Reconstruction would be costly.

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On February 8 the Department of the Interior, with the approval of the Bureau of the Budget, recommended this bill to the Congress. The national monument appears to serve no essential purpose at the present time, and the lands could be administered as part of the national forest without additional cost to this Department. Since the tract is completely surrounded by national forest, abolishment of the national monument and continuation of national forest status would be logical. National forest uses, such as logging, could be controlled so as to protect remaining evidences of the former native occupancy.

Since legislation is necessary to abolish the national monument, this Department would interpose no objection to enactment of H. R. 7912.

The Bureau of the Budget advises that from the standpoint of the program of the President there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

At the hearing held by the committee, the Governor of Alaska, Hon. Frank Heintzleman, chief forester of the Territory for a number of years, testified that Old Kasaan National Monument has scarcely existed in fact except on paper, and has never been administered as a national monument. No useful purpose is served by retaining the technical status of a national monument for this small area. The totem poles already have been removed for safekeeping.

CHANGES IN EXISTING LAW

In compliance with the Cordon rule (subsec. (4) of rule XXIX of the Standing Rules of the Senate), changes in the Executive order made by the bill, H. R. 4046, as reported, are shown in black brackets.

EXECUTIVE PROCLAMATION OF OCTOBER 25, 1916 (39 STAT. 1812)

[WHEREAS, certain historic aboriginal ruins of the former Haida Indian village known as "Old Kasaan", situated upon public lands of the United States, on Prince of Wales Island, within the Tongass National Forest, in the Territory of Alaska, are of unusual ethnologic, scientific, and educational interest, as representing a distinctive type of aboriginal American civilization, the vestiges of which are rapidly disappearing, and it appears that the public interests would be promoted by reserving these ruins, with as much land as may be necessary for the proper protection thereof, as a National Monument;

[Now, therefore, I, WOODROW WILSON, President of the United States of America, by virtue of the power in me vested by section two of the Act of Congress approved June 8, 1906, entitled "An Act for the Preservation of American Antiquities", do proclaim that there is hereby reserved from appropriation and use of all kinds under all of the public land laws, subject to all prior valid adverse claims, and set apart as a National Monument, all that certain tract of land, in the Territory of Alaska, shown as the Old Kasaan National Monument on the diagram forming a part hereof.

[The reservation made by this proclamation is not intended to prevent the use of the land for forest purposes under the proclamation establishing the Tongass National Forest. The two reservations shall both be effective on the land withdrawn, but the National Monument hereby established shall be the dominant reservation, and any use of the land which interferes with its preservation or protection as a National Monument is hereby forbidden.

[Warning is hereby given to all unauthorized persons not to appropriate, injure, remove, or destroy any feature of this National Monument, or to locate or settle on any of the land reserved by this proclamation.

[IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

[Done at the City of Washington this twenty-fifth day of October, in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States the one hundred and forty-first.

WOODROW WILSON]

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Calendar No. 714

84TH CONGRESS, 1st Session | SENATE | REPORT No. 708

AUTHORIZING THE ESTABLISHMENT OF THE CITY OF REFUGE NATIONAL HISTORICAL PARK, IN THE TERRITORY OF HAWAII

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 5300]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 5300) authorizing the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

The purpose of this bill is to bring into the system of national parks the historical City of Refuge, a semiwalled enclosure of approximately 180 acres located at Honaunau in the south Kona area of the island of Hawaii. Similar bills passed the House in the 82d and 83d Congresses but were not acted on in the Senate.

The site is one of outstanding significance in the social and spiritual development of the peoples of the Hawaiian Islands centuries before the coming of the Europeans. Here was established a place where the weak and the oppressed, and criminal, political, and military fugitives could find sanctuary.

Thus, it symbolizes the spirit of social justice, clemency, and tolerance among the early inhabitants of what is now a part of the United States in the Pacific.

Archeologically and historically, also, the City of Refuge is of great interest. The area is partly surrounded by walls 15 feet thick and 12 feet high, made of lava blocks of up to several tons in weight. Nowhere in the vicinity are boulders of such size to be found, and how such masses were transported, hoisted, and fitted into place with what must have been very primitive implements and tools is a mystery to modern man.

For nearly two centuries, starting with the tomb of King Hale O Keawe, the City of Refuge was a royal burying ground. In addition, the area is one of great scenic beauty.

At the hearings on H. R. 5300 before the Subcommittee on Territories of the Senate Interior Committee, representatives of the National Park Service strongly urged that the area be made a national park. The resolution of the Advisory Board on National Parks recognizing the City of Refuge as being of national significance was cited.

EXPENDITURES SMALL

The committee was informed that for the first several years probably not more than $15,000 annually will be required for park purposes. When fully developed, expenditures of perhaps $40,000 annually may be required. A great part of the 180 acres will be donated, and the Governor of Hawaii is authorized to acquire lands for the park at the expense of the Territory.

EXECUTIVE AGENCIES REPORT

The favorable reports of the Department of the Interior to the House committee and of the Bureau of the Budget to the Senate committee are set forth in full.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., April 29, 1955.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: Your committee has requested a report on H. R. 5300, a bill to authorize the establishment of the City of Refuge National Historical Park, in the Territory of Hawaii, and for other purposes. This proposal has received action by the House of Representatives during the 82d Congress and the 83d Congress. It would authorize the establishment of the City of Refuge National Historical Park at Honaunau in the south Kona area of the island of Hawaii, within the particular areas, which are described in 3 parcels in this bill, and which aggregate approximately 180 acres.

We recommend the enactment of H. R. 5300.

The City of Refuge was established prior to 1700 as a sanctuary to which the weak, the aged, the oppressed, the criminal, the political, and military fugitive could go for protection. The site commemorates the growth of clemency and social justice in Hawaii before the coming of the white man. Its development and history are a dramatic story of the Hawaiian people. The City of Refuge is a large semiwalled enclosure. The lava walls are 15 feet thick and 12 feet high. The royal tomb of Hale o Keawe, built about 1690, and which housed the bones of Hawaiian royalty until 1829, is one of the principal features of the area and has been partially restored.

Our opinion of this area, which has been reached after a thorough investigation, is that the City of Refuge is of national historical significance and, therefore, is worthy of preservation by the Federal Government. This view is shared by the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments, which was established by the authority of the Congress to render advice concerning matters of this kind. Because of the features of the City of Refuge which still remain, notably the great lava walls and the royal tomb therein, the area will continue to be of great interest to visitors to the island of Hawaii.

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As we are informed that your committee has urgent need for this report, it has not been submitted as yet to the Bureau of the Budget for advice concerning its relation to the program of the President. This information will be obtained, however, as soon as possible, and we shall advise your committee accordingly.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

The Committee on Interior and Insular Affairs unanimously recommends the enactment of H. R. 5300.

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Calendar No. 715

84TH CONGRESS, 1st Session } SENATE { REPORT No. 709

FARMER-DEBTOR RELIEF

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. LANGER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 689]

The Committee on the Judiciary, to which was referred the bill (S. 689) to amend an act entitled "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of this bill is to add to the Bankruptcy Act a new chapter, to be numbered XVI, and to deal with the subject matter of "Farmer-debtor relief." This new chapter XVI would become a permanent part of the Bankruptcy Act and would replace presently existing section 75 which has been extended from time to time, the last extension having expired on March 1, 1949.

HISTORY OF LEGISLATION

S. 689 is identical to S. 25 of the 83d Congress, which passed the Senate on June 8, 1953. There have been similar bills introduced and passed by the Senate in previous Congresses. These were S. 938 of the 81st Congress; an amendment in the nature of a substitute to S. 25 of the 82d Congress, and S. 25 of the 83d Congress. The report on the amendment in the nature of a substitute to S. 25 of the 82d Congress contains all of the information upon which the present bill is predicated and is hereinbelow set forth in full as follows:

STATEMENT

The bill being reported by the committee is an amendment in the nature of a substitute to S. 25 with certain technical and procedural changes. There has been a section incorporated from the original S. 25, as well as one section deleted from the amendment in the nature of a substitute, but in the main this bill as reported is the amendment in the nature of a substitute to S. 25, which was introduced by Senator McCarran for himself and Senator Hayden on May 2, 1951. The section carried over from S. 25, which was not in the amendment in the nature of a substitute, is section 1044, which provides for certain income-tax exemptions under this proceeding. This is a section generally appearing throughout bankruptcy statutes of this nature. The section deleted from the McCarran amendment in the nature of a substitute was section 1051 which prohibited a farmer-debtor from relief under any chapters other than I to VII of the Bankruptcy Act and this act. The committee is of the opinion that to deny a farmer-debtor the choice of reliefs that exist under other chapters of the Bankruptcy Act would be to do that class of persons an injustice, since such prohibition is not generally applicable to others.

Legislation dealing with farmer-debtor relief was originally enacted in the year 1933, as section 75, of the Bankruptcy Act. It carried a limitation as to the time within which petitions could be filed to obtain the benefits of the provisions of said section. The time within which petitions could be filed under said section has been extended from time to time, the last extension being to March 1, 1949, as provided in Public Law 495, 80th Congress, approved April 21, 1948. Presently existing section 75 has always been considered as emergency legislation, and the various extensions of time within which petitions might be filed has always been on a temporary and emergency basis. It is now believed that the farmer-debtor-relief provisions of the Bankruptcy Act should be made permanent, and no longer dealt with on such temporary or emergency basis.

A full factual justification for this position would require a detailed recital of the financial plight in which farmers found themselves, beginning in the early 1930's and continuing to date. Suffice it to say that about the year 1930, and following, the farming industry found itself practically bankrupt. Farmers were losing their farms and being forced to move. They had no place to go, because there was no employment except such as was furnished by the Government under such "made work" projects as WPA, PWA, etc. The general condition of the farming industry was not such as might have been explained as merely some of the less-efficient farmers being normally pushed out of an industry in which they were not suited. Regardless of the ability and efficiency of the farmer, he could not, with the then current prices of his products, make a living farming. He was being forced to operate his farm at a loss, and the more farm products he produced the more he lost. True, many farmers did not owe on their farms but, in fact, had reserves of savings on which they could draw to tide themselves over. But the farmer who had no such reserve of savings was forced to borrow money on his farm, and the farmer who owed on his farm was forced to increase his borrowings. In both instances, after a lien was placed on the farm, there was no possible way (except from sources outside the farming operation) that a farmer could hope or expect to pay off the loan, or, in fact, even meet the interest payments on it. The net result was that had the farming industry, as a whole, been pushed for repayment of the debts of the industry it would have been wiped out. The problem was not local in scope. Since farming is probably the basic industry of the Nation, it assumed proportions of a national calamity. Farmlands worth as much as $50 per acre were selling for fantastically low prices, as low as $2.50 to $5 per acre, and this was not just in one locality but was countrywide and statewide.

The banks, insurance companies, and other financial interests that owned the loans on the farms did not wish to push the debtors but, when the interest payments and principal payments were not met, they had no alternative. If they failed to collect, they could not themselves remain solvent.

The situation of farmers today is entirely different. They are generally in a prosperous condition, have built up substantial reserves in the form of savings, and are, to a great extent, protected in the foreseeable future against any large impairment of income by the price-support programs of Government.

However, even during the times when farmers are generally prosperous in this country, there are some who are faced with so-called local emergencies and subjected to ruin through no fault of their own. It can be said that this bill is designed so as to provide relief as needed and deserved by the individual farmer

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as distinguished from those of a given area. In other words, the committee recognizes that there may be an individual emergency wherein a farmer finds himself in dire circumstances due to causes beyond his control. A farmer who would be entitled to the benefits of this bill would be granted a moratorium for the duration of his emergency. Such an indefinite moratorium geared to the needs of each individual farmer is the backbone of this bill, as the farmer himself is the backbone of this Nation.

If the legal and economic principles embodied in foreclosure moratoria are good for mass emergencies, they should be equally good in individual or localized emergencies of the same nature.

The committee's intentions in approving this bill revolve around the integrity of the individual farmer and fairness to the source of his loan. Certain compromises have been made in order to maintain and strengthen the favorable position now enjoyed by farmers in obtaining financial backing which is so necessary to their operation. Efforts have been made to avoid the provocation of inadequate operating capital for farmers. Only simple arithmetic is required to recognize that inflated loans are necessary to operate under conditions of inflation. It is believed that permanent legislation on this subject providing for scaling of debts secured by farm property would adversely affect farmers in obtaining adequate loans on which to efficiently operate. Such a situation would have its effects on the entire population of this country for the reason that the livelihood and economy of this Nation are dependent upon the success or failure of its farmers. For the foregoing reasons there is no provision in this bill which would effect a scaling of secured debts. It is believed that to include provisions in that regard, at this time, would tend to restrict, limit, or dry up agricultural credit. Contrary to such a possibility, expanded credit is needed by farmers in order to increase production that this country may meet its obligations and commitments to the less fortunate governments and peoples of the world. It would appear from these considerations that overproduction of farm crops is extremely unlikely, if not impossible.

Another feature of this bill is the economical administration which would be effected by provision for a minimum of hearings and distribution of costs between the parties.

Some argument has been presented that due to the generally prosperous condition of the farmers, such legislation is not presently needed. However, those who have advanced that argument have lost sight of the local and individual failures which could not be controlled. Further, they have overlooked the possibility of future depressions and failures on a national scale. It is felt that to deal with permanent legislation on this subject at the present time or prior to the development of widespread distress, it could be done more wisely under a calm atmosphere, and the "rules of the game" could be known in advance of an emergency. Such permanent legislation would provide a basis for a smoothly functioning credit system which is an essential requirement in modern agriculture. To establish the procedure, under which such a law would be administered, prior to the need thereof would certainly improve the results to be obtained. Uniformity of legal procedures for handling farm mortgage delinquencies throughout the country is highly desirable from the viewpoint of the lenders, the farmers, and the efficiency of the long-term credit system as a whole. Enactment of such a law as this proposed legislation should be much more preferable to uncoordinated action by States. This would permit the larger lending institutions to adjust their operations on a nationwide basis and possibly reduce their costs to borrowers. Savings are always effected when production-line methods are employed.

There is certainly no intent, on the part of the committee, to protect incompetent or dishonest operators who fail to live up to their debt commitments. It is undesirable for debtor assistance to go so far as to protect incompetent or negligent borrowers. There will, of course, be cases where farmers are so overburdened with debt that a scaledown settlement of foreclosure is the only solution. This proposed moratorium law is not designed to serve such cases.

It is believed that these proposed permanent statutory provisions for adjusting the time schedule of debt payments in individual cases of emergency might well become a valuable improvement in the legal and economic aspects of the farm-credit system.

Since most interested parties are already familiar with section 75 of the act, it may be well to discuss briefly the principal features of this bill wherein it differs from section 75, and to outline the procedures to be followed.

The petition would be filed with the court and upon approval the judge may refer the proceedings to a referee. The judge, or, if the proceedings are referred

to a referee, the referee would promptly call a meeting of creditors. Notice of the meeting would specify the purpose of such meeting, which would include a determination of cause of the debtor's distress, setting apart of exemptions, and approval or fixing of rental of property to be retained by the debtor.

If it is determined by the court that the debtor's distress is due to causes within his control, the court would adjudge the debtor a bankrupt and direct that bankruptcy be proceeded with pursuant to provisions of the act.

If the cause of debtor's distress is determined by the court to be beyond the debtor's control, the court would enter an order granting the debtor a moratorium for the duration of the emergency without limit as to term of years. The rental proposal is then considered, adjusted, if necessary, by the court, and approved. Such rental would be paid into court and distributed as follows: The first 10 percent deposited with the clerk and transmitted by him in accordance with section 72 of the act. The remainder would be used, first, for compensation or reimbursement of cost and expenses allowed in connection with prior petitions or proceedings brought under this chapter; second, for payment of taxes and repairs on the property for which the rental is paid; third, applied on claims of secured creditors who have claims on the property for which the rental is paid, in order of priority; and, fourth, any excess rental from encumbered property and all rental from unencumbered property paid to unsecured creditors as their interests appear.

When a moratorium is ordered, creditors would have the right, not more often than 2-year intervals from date of the order, to a hearing on the question as to whether the emergency has ceased. If the court should make a determination resulting in a moratorium of more than 4 years from date of order granting the moratorium and such determination is affirmed on appeal, any creditor may present the same question on petition at 1-year intervals from the date of such determination.

During the moratorium, debtor's property would remain under supervision and control of the court. Reports of the farming operations may be required.

The court could require, after hearing, that the debtor make payments into court in addition to the required rental according to his ability to pay.

Within 60 days after final determination that the emergency has ceased, the debtor may file a notice of election, electing an extension, and accompany such notice with an extension proposal. Such proposal should provide for full payment of all secured claims amortized over a term of years not to exceed the greater of 10 years or the original term of years, with interest at the contract rate or 6 percent, whichever is the lesser. Such proposal should provide also for the payment of unsecured debts for which claims have been filed and allowed to the extent which the debtor believes he will be able to pay from his future income.

The court would then call a meeting of creditors for the purpose of considering the extension proposal. Without objection the court would confirm the proposal. If written objections to the proposal have been filed the court would enter an order in accordance with the proof. The court's approval of the proposal would have full force and effect of a binding contract for redemption between the affected parties. Payments are thereafter made direct to creditors entitled thereto. The debtor would then be discharged as to all unsecured debts not provided for in the extension proposal.

The court may, at any time during the moratorium upon written application of the debtor, without hearing, transfer the proceeding to a proceeding under chapters I to VII, inclusive, of the act.

The debtor and each creditor would be required to pay all of his own expenses, including his attorney's fees, none of which would be allowed or paid out of the rental money or the estate.

Concurrently with approval of an extension proposal the court would enter a final decree, discharging the debtor as to all debts dischargeable under this proposed chapter, discharging the trustee and closing the estate.

It has been suggested that Congress may be embarking on class legislation if this bill is passed. But, the act of March 3, 1933, in addition to section 75, which dealt with "farmer-debtor relief," incorporated in the Bankruptcy Act, section 77 and section 77B, providing for the reorganization and rehabilitation of railroads and other corporations, respectively. These measures were necessitated by the severe financial plight of business generally in the early thirties. Subsequently, in 1937, Congress also added to the Bankruptcy Act sections 81–84, providing for the debt adjustment of financially embarrassed municipalities, taxing agencies, agricultural-improvement districts, and the like.

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In 1938, the Bankruptcy Act was revised and expanded. Section 77, dealing with railroad reorganization, was retained. Section 77B, providing for corporate reorganization, was revised, improved, and converted into chapter X of the act. In addition thereto, chapter XI was enacted, providing for the voluntary arrangement of the unsecured debts of smaller corporations and business enterprises; chapter XII provided for the voluntary arrangement of individual and partnership debts secured by real property; and chapter XIII provided for the voluntary arrangement of the debts of wage earners. These measures represented legislation of a permanent nature. Today their worth in maintaining our capitalistic system in working order is not open to question.

Moreover, in the 79th Congress (Public Law 481, act of July 1, 1946), sections 81–84, dealing with the adjustment of municipal indebtedness, were made permanent. In Senate Report No. 1633 on H. R. 6682, 79th Congress, 2d session (1946), and House Report No. 2246 on H. R. 6682, 79th Congress, 2d session (1946), it was pointed out that these provisions had served a useful purpose in less prosperous days, and that if there should be at some time a return to that condition, the statute would be essential to provide a method of relief, desirable not only from the standpoint of the municipal debtor and its creditors but also from the standpoint of the taxpayers of the municipality. These views were concurred in by the American Bar Association, the Administrative Office of the United States Courts, the Brotherhood of Locomotive Firemen and Enginemen, and other groups.

As further evidence of the necessity for providing specialized methods of relief for varying segments of our economy, Congress in 1948 provided for a modification of railroad financial structures. (See Public Law 478, 80th Cong., 2d sess., approved Apr. 9, 1948.)

These measures demonstrate, therefore, that experience has proven the desirability of providing particular means of relief and rehabilitation, as distinguished from outright bankruptcy, for railroads, corporations generally, small business enterprises, municipalities and the like, and wage earners. It can hardly be argued, then, that the farmer—representing a highly individual and unique segment of our economic life—should not be accorded a special means of relief tailored to his particular needs. As stated with respect to section 75 of the act, "the farm situation through good years and bad, may well deserve the specialized treatment accorded it" (5 Collier on Bankruptcy (14th ed. by Moore and Oglebay) 128). While it is true that the farmer is exempted from the pains of involuntary bankruptcy, this in itself is no solution, for his only real alternative is default and foreclosure—an equally harsh and final remedy. While it has been admitted that chapter XII of the act, providing for real property arrangements, is open to farmers (*Home Owners' Loan Corp.* v. *Creed* (C. C. A. 5th, 1939; 108 F. (2d) 153; 9 Collier, op. cit. supra, 84–86)), this chapter was not designed for the rehabilitation of farmer-debtors and represents an unsatisfactory and unused substitute (5 Collier, op. cit. supra, 128).

In light of these considerations, the proposals contained in this bill present a necessary means of financial rehabilitation especially designed for the farmer-debtor and those who have extended credit to him. It is integrated with and keyed to the other provisions of the Bankruptcy Act so as to form a part of a well-rounded and harmonious structure of debtor relief for all portions of our economy.

While it is believed that this bill (S. 25) is in proper form in all details, if minor changes prove advisable as the result of future years of experience in its operation, such changes can and should be made by amendment.

The committee notes that the dust-bowl condition now existing in the State of Colorado lends force to the objectiveness of this legislation. The farmers in Colorado represent an example to which succor and aid should be given by this type of legislation. The committee also recognizes that other farmers of our country, due to circumstances beyond their control, are entitled to the type of relief which this legislation would afford and, therefore, recommends that the bill, S. 689, be considered favorably.

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Calendar No. 716

84TH CONGRESS, 1st Session | SENATE | REPORT No. 710

CERTAIN CASES IN WHICH THE ATTORNEY GENERAL HAS SUSPENDED DEPORTATION PURSUANT TO SECTION 244 (A) (1) OF THE IMMIGRATION AND NATIONALITY ACT

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. KILGORE, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. Res. 124]

The Committee on the Judiciary, to which were referred certain cases in which the Attorney General has suspended deportation, having considered the same, reports unfavorably on two of said cases, and recommends that Senate Resolution 124 with reference to such cases be agreed to.

PURPOSE OF THE RESOLUTION

The purpose of the resolution is to record unfavorable action on two cases in which the Attorney General has suspended deportation pursuant to section 244 (a) (1) of the Immigration and Nationality Act (8 U. S. C. 1254 (a) (1)).

STATEMENT OF FACTS

The resolution states that the Senate does not favor the suspension of deportation in two cases in which the Attorney General has suspended deportation pursuant to section 244 (a) (1) of the Immigration and Nationality Act. It relates to certain cases in which the Attorney General has exercised the discretionary authority granted to him under the Immigration and Nationality Act to suspend the deportation of certain aliens. The cases were referred to the Congress by the Attorney General under the procedure prescribed in the act which provides that unless either the Senate or the House of Representatives passes a resolution stating in substance that it does not favor the suspension of deportation, the Attorney General shall cancel deportation

proceedings and adjust the status of the alien to that of an alien lawfully admitted for permanent residence.

Under the provisions of section 244 (a) (1) of the Immigration and Nationality Act, the Attorney General is granted discretionary authority, upon application by the alien, to adjust the status of certain aliens upon a showing by such an alien (1) that he is not an alien who is deportable as a subversive, criminal, immoral person, or for a physical or mental defect; (2) that application was made to the Attorney General within 5 years after December 24, 1952; (3) that he has been physically present in the United States for a continuous period of not less than 7 years immediately preceding the date of his application; (4) that he is and was a person of good moral character during the required period of physical presence; and (5) that he is a person whose deportation would, in the opinion of the Attorney General, result in exceptional and extremely unusual hardship to himself or to his spouse, parent, or child, who is a citizen or an alien lawfully admitted for permanent residence. The Attorney General is required to report each case in which he suspends deportation under section 244 (a) (1) of the act to the Congress and if during the session of Congress in which a case was reported or during the following session of Congress, neither the Senate nor the House of Representatives passes a resolution stating that it does not favor the suspension of deportation, the Attorney General is authorized to cancel the deportation proceedings.

These two cases are among 301 cases referred to the Congress during the 2d session of the 83d Congress pursuant to the provisions of section 244 (a) (1). The committee, after carefully reviewing all the facts in the cases, and after consultation with the Immigration and Nationality Subcommittee of the House of Representatives, has found that there are insufficient equities present to justify suspension of deportation in these two cases.

The committee, after consideration of all the facts in each case referred to in the resolution (S. Res. 124) recommends that Senate Resolution 124 be agreed to.

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Calendar No. 717

84TH CONGRESS, 1st Session | SENATE | REPORT No. 711

A CASE IN WHICH THE ATTORNEY GENERAL HAS RECOMMENDED THE RESCISSION OF THE ADJUSTMENT OF STATUS IN THE MATTER OF BENITO QUINTANA SEARA

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. KILGORE, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. Con. Res. 47]

The Committee on the Judiciary, to which was referred this case in which the Attorney General has recommended the rescission of an adjustment of status (suspension of deportation) previously granted, having considered the same, reports favorably thereon and recommends that Senate Concurrent Resolution 47 with reference to this case be agreed to.

PURPOSE OF THE CONCURRENT RESOLUTION

The purpose of the concurrent resolution is to withdraw suspension of deportation in accordance with section 246 (a) of Public Law 414 of the 82d Congress in the case of Benito Quintana Seara.

STATEMENT OF FACTS

This is a case in which the Attorney General, acting through his duly authorized agents, has, upon the basis of afterdiscovered evidence, determined that an alien whose immigration status was adjusted through the suspension of deportation procedure, was in fact not eligible for such adjustment and has recommended that such adjustment be rescinded and the alien restored to a deportable status.

Under section 19 (c) of the Immigration Act of February 5, 1917, it was provided, in substance, that the attorney General could suspend deportation of certain aliens if he found that such deportation would result in serious economic detriment to a citizen of the United States

or legally resident alien who was the spouse, parent, or minor child of such deportable aliens. Section 19 (d) of that act specifically provided that any alien deportable as a subversive was ineligible for suspension of his deportation. Under the law applicable at the time the case was referred to the Congress, the suspension of deportation became final unless acted upon adversely by the Congress in the session in which it was referred or in the session next following, and the status of the alien could be adjusted to that of a permanent resident.

Public Law 414 of the 82d Congress, approved June 27, 1952, provided in section 246 (a) a procedure for the rescission by Congress of an adjustment of the immigration status of an alien made under the suspension of deportation procedure, if at any time within 5 years after such status has been adjusted, it shall appear to the satisfaction of the Attorney General, and he so recommends to the Congress, that the person was not, in fact, eligible for such adjustment.

Section 246 (a) reads as follows:

SEC. 246. (a) If, at any time within five years after the status of a person has been adjusted under the provisions of section 244 of this Act or under section 19 (c) of the Immigration Act of February 5, 1917, to that of an alien lawfully admitted for permanent residence, it shall appear to the satisfaction of the Attorney General that the person was not in fact eligible for such adjustment of status, the Attorney General shall submit to the Congress a complete and detailed statement of the facts and pertinent provisions of law in the case. Such reports shall be submitted on the first and fifteenth day of each calendar month in which Congress is in session. If during the session of the Congress at which a case is reported, or prior to the close of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution, withdrawing suspension of deportation, the person shall thereupon be subject to all provisions of this Act to the same extent as if the adjustment of status had not been made. If, at any time within five years after the status of a person has been otherwise adjusted under the provisions of section 245 or 249 of this Act or any other provision of law to that of an alien lawfully admitted for permanent residence, it shall appear to the satisfaction of the Attorney General that the person was not in fact eligible for such adjustment of status, the Attorney General shall rescind the action taken granting an adjustment of status to such person and cancelling deportation in the case of such person if that occurred and the person shall thereupon be subject to all provisions of this Act to the same extent as if the adjustment of status had not been made.

The Attorney General recommended to the 80th Congress that the deportation of Benito Quintana Seara be suspended in accordance with the provisions of section 19 (c) (2) of the Immigration Act of February 5, 1917, and further, that if Congress approved this suspension of deportation that the proceedings be canceled and the status of Benito Quintana Seara be adjusted to that of an alien lawfully admitted for permanent residence. The Congress took no adverse action in connection with the case, and the suspension of deportation became final.

On May 6, 1955, there was submitted to the Congress a letter with attached complete and detailed statement which sets forth the facts upon which is based the conclusion that Benito Quintana Seara was not, in fact, eligible for the adjustment of status previously granted. The letter with attached statement reads as follows:

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MAY 6, 1955.

Hon. RICHARD M. NIXON,
President of the United States Senate,
United States Senate, Washington, D. C.

MY DEAR MR. VICE PRESIDENT: In accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. 1256 (a), there is transmitted herewith a copy of an order entered in the case of Benito Quintana Seara, A–4363045, relative to rescission of adjustment of status granted this individual under section 19 (c) of the Immigration Act of 1917, as amended, (8 USCA 155 (c)).

It will be appreciated if you will advise me of the action taken by the Congress on the case.

Sincerely,

———— ————, *Commissioner.*

REPORT TO CONGRESS

DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Richmond, Va., April 11, 1955.

File: A4363045.

In re: Benito Quintana or Benito Quintana Seara Recission of adjustment of status under section 246 of the Immigration and Nationality Act:

In behalf of subject alien: Edward G. Ruyak, 625 East 4th Street, Bethlehem, Pa.

This case is considered under section 246 of the Immigration and Nationality Act on recommendation by the special inquiry officer, approved by the district director, to rescind the adjustment of status previously granted subject alien, pursuant to the provisions of section 19 (c) (2) of the Immigration Act of 1917, as amended.

The record shows that proceedings against him were commenced in April 1943 by the service of a warrant of arrest, following which hearing in the matter was held May 19, 1943. Voluntary departure with pre-examination was authorized by the Board of Immigration Appeals November 6, 1943, but he did not avail himself of the privilege granted. Thereafter, on June 2, 1947, on motion by counsel, an order was entered directing reopening of the proceeding to afford him an opportunity to apply for suspension of deportation.

Further hearing was held August 18, 1947, in the course of which application was received for relief mentioned and on December 3, 1947 the central office affirmed favorable recommendation of the presiding officer. This action was followed by congressional approval, and on July 22, 1948, the required fee was submitted by the subject, whereupon all that remained to be done was the creation by the Service of a record of lawful entry (exhibit 4).

Within 5 years after said payment, i. e., on July 9, 1953, notice was furnished (exhibit 1), and receipt thereof acknowledged (exhibit 2), of intention by the Service to institute proceedings to rescind adjustment of status to that of a permanent resident, acquired under the provisions of section 19 (c) (2) of the Immigration Act of 1917, as amended. Accordingly, this proceeding is timely.

In the course of hearings in the present proceeding, a witness, Herman Thomas, membership director of the Bethlehem City Club of the Communist Political Association, at the time, testified he first met the alien in May 1945; that as director of the aforementioned club in Bethlehem, with access to membership rolls, he had ascertained from those records that Benito Quintana was then a member of the organization; and that they attended a number of Communist Party meetings together during the period 1946–48. He stated, too, that he personally had collected membership dues from the subject on several occasions during the same period. The Communist Political Association is merely another designation for the Communist Party of the United States.

A second witness, Rufus Middleton, who acknowledged prior membership in the Communist Party of the United States, from 1945 to 1948, indicated that he was present with the subject at two meetings of the organization but was unable to identify him as an actual member.

The subject denies membership in the party under discussion. His credibility, however, is impaired by equivocal testimony. In that connection it is noted that he has in the past always denied involvement in any questionable activity. On August 7, 1951, however, when interrogated by an officer of the Service (exhibit 6), the alien for the first time acknowledged membership in the IWO about 1937–38.

Furthermore, he now admits attendance at functions which, unknown to him, may have been Communist Party meetings.

The evidence represented by the testimony of Herman Thomas is considered clear and convincing. As his own prior testimony was not straightforward, the alien's present self-serving assertions are not worthy of full credence. It has therefore been established by reasonable, substantial, and probative evidence that the subject was a member of one of the classes enumerated in section 19 (d) of the Immigration Act of 1917, as amended, and hence ineligible for adjustment of status under section 19 (c) (2) of the act.

Since it has been found that he was, in fact, ineligible for relief granted, this matter will be submitted to the Congress, pursuant to section 246 of the Immigration and Nationality Act, for consideration as to withdrawal of suspension of deportation, resulting in rescission of adjustment of status and his becoming subject to all the provisions of the act, to the same extent as if such adjustment had not been made.

Order: It is ordered that the foregoing matter be submitted to the Congress, pursuant to section 246 of the Immigration and Nationality Act, for its consideration as to rescission of suspension of deportation heretofore granted under section 19 (c) (2) of the Immigration Act of 1917, as amended.

P. A. ESPERDY,
Acting Regional Commissioner, Southeast Region.

The Attorney General has concluded that under the provisions of section 246 (a) of the Immigration and Nationality Act, the adjustment of status granted Benito Quintana Seara under section 19 (c) (2) of the Immigration Act of February 5, 1917, is rescindable on the ground that he was a member of a subversive organization at the time the adjustment was granted and hence was statutorily ineligible under section 19 (d) of tha act.

The committee, after consideration of all the facts, is of the opinion that the concurrent resolution should be agreed to.

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Calendar No. 727

84TH CONGRESS, 1st Session | SENATE | REPORT No. 721

FAVORING THE GRANTING OF THE STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. KILGORE, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. Con. Res. 110]

The Committee on the Judiciary, to which was referred the concurrent resolution (H. Con. Res. 110) favoring the granting of the status of permanent residence to certain aliens, having considered the same, reports favorably thereon without amendment and recommends that House Concurrent Resolution 110 do pass.

PURPOSE OF THE CONCURRENT RESOLUTION

The purpose of the concurrent resolution is to record congressional approval of the granting of the status of permanent residence in the United States to certain displaced persons whom the Attorney General has determined to be eligible for such privilege under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953).

STATEMENT OF FACTS

Section 4 of the Displaced Persons Act of 1948, as amended, provides for adjustment of the immigration status in the cases of certain aliens who establish that they lawfully entered the United States as nonimmigrants under section 3 or as nonquota immigrant students under subsection (e) of section 4 of the Immigration Act of May 26, 1924, as amended. The act provides that if the Attorney General shall, upon consideration of all the facts and circumstances of each case, determine that the alien has been of good moral character for the preceding 5 years and that such alien is qualified under the provisions of said

section 4 of the Displaced Persons Act of 1948, as amended, the Attorney General shall report to the Congress all of the pertinent facts in the case. If during the session of the Congress at which a case is reported or prior to the end of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution stating in substance that it favors the granting of the status of permanent residence to such alien, the Attorney General is authorized, upon receipt of a prescribed fee, to record the admission of the alien for permanent residence as of the date of the alien's last entry into the United States. If prior to the end of the session of the Congress next following the session at which a case is reported, the Congress does not pass such resolution, the Attorney General is required to deport such alien. The act further provides that the number of displaced persons who shall thus be granted the status of permanent residence shall not exceed 15,000. Upon the grant of status of permanent residence to an alien pursuant to said section 4, of the Displaced Persons Act of 1948, as amended, the Secretary of State shall, if the alien was a quota immigrant at the time of entry, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the Immigration Act of May 26, 1924, for the fiscal year then current or the next succeeding fiscal year in which a quota number is available, except that such quota deductions shall be made within certain limitations.

Included in the concurrent resolution (H. Con. Res. 110), as it passed the House of Representatives, were 92 cases. In each case which is recommended for approval, a check has been made to determine whether or not the alien (a) has met the requirements of the law, (b) is of good moral character, and (c) is possessed of strong equities which would warrant the granting of the status of permanent residence.

The committee, after consideration of all the facts in each case referred to in the concurrent resolution (H. Con. Res. 110), recommends that the concurrent resolution do pass.

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Calendar No. 759

84TH CONGRESS, 1st Session | SENATE | REPORT No. 752

APPROVING THE GRANTING OF THE STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. KILGORE, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. Con. Res. 98]

The Committee on the Judiciary, to which was referred the concurrent resolution (H. Con. Res. 98) favoring the granting of the status of permanent residence to certain aliens, having considered the same, reports favorably thereon with an amendment and recommends that House Concurrent Resolution 98, as amended, do pass.

AMENDMENT

On page 3, after line 17, add the following names:

A-7210454, Ciundziewicki, Stefan
0200-126849, Franges, Oton
0300-463178, Lee, Marcelle Chang
A-6953081, Lin, Shao-Chi
E-7314, Muzayin, Sion
E-7316, Muzayin, Violette
E-7318, Muzayin, Widad
0300-446252, Muzayin, Larine
0300-446254, Muzayin, Josef
A-7298030, Negluescu, Paul
A-7383367, Sepsy, Hajna, formerly Ruttkay
A-6937543, Tang, Lloyd Wei-Zing Chi-Cheong
A-6534328, Yang, Georgiana Hwei-Ying
0500-42757, Yeh, Chien-Kuan

PURPOSE OF THE CONCURRENT RESOLUTION

The purpose of the concurrent resolution, as amended, is to record congressional approval of the granting of the status of permanent residence in the United States to certain refugees whom the Attorney General has determined to be eligible for such relief under the provi-

sions of section 6 of the Refugee Relief Act of 1953 (67 Stat. 403), as amended by the act of August 31, 1953 (68 Stat. 1044).

The purpose of the amendment is to include the names of certain aliens whose names did not appear in the resolution as it passed the House of Representatives.

STATEMENT OF FACTS

Prior to August 31, 1953, section 6 of the Refugee Relief Act authorized the granting of the status of permanent residence in the United States to a limited number of aliens, not to exceed 5,000, who lawfully entered the United States as bona fide nonimmigrants prior to July 1, 1953, and because of events which have occurred subsequent to their entry are unable to return to their country of birth, or nationality, or last residence because of persecution or fear of persecution on account of race, religion, or political opinion. Public Law 751, 83d Congress, 2d session, amended section 6 by providing that otherwise eligible aliens must establish that, either by events which occurred prior to their entry or subsequent to their entry, they are unable to return to their country of birth, or nationality, or last residence, because of persecution or feat of persecution on account of race, religion, or political opinion.

The act provides that if the Attorney General shall, upon consideration of all the facts and circumstances of the case, determine that such alien has been of good moral character for the preceding 5 years and that the alien was physically present in the United States on the date of the enactment of the Act and is otherwise qualified under all other provisions of the Immigration and Nationality Act except that the quota to which he is chargeable is oversubscribed, the Attorney General shall report to the Congress all the pertinent facts in the case. If, during the session of the Congress in which a case is reported or prior to the end of the session of the Congress next following the session in which a case is reported, the Congress passes a concurrent resolution stating in substance that it approves the granting of the status of an alien lawfully admitted for permanent residence to such alien, the Attorney General is authorized, upon the payment of the require visa fee, which shall be deposited in the Treasury of the United States, to the account of miscellaneous receipts, to record the alien's lawful admission for permanent residence as of the date of the passage of such concurrent resolution. If, within the above specified time, the Congress does not pass such a concurrent resolution, or, if either the Senate or the House of Representatives passes a resolution stating in substance that it does not approve the granting of the status of an alien lawfully admitted for permanent residence, the Attorney General shall thereupon deport such alien in the manner provided by law.

Included in the concurrent resolution, as amended, are 57 names. In each case which is recommended for approval, a check has been made to determine whether or not the alien (a) has met the requirements of the law, (b) is of good moral character, and (c) is possessed of strong equities which would warrant the granting of the status of permanent residence.

The committee, after consideration of all the facts in each case, is of the opinion that the concurrent resolution (H. Con. Res. 98), as amended, do pass.

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Calendar No. 768

84TH CONGRESS, 1st Session | SENATE | REPORT No. 761

THEODORE ROOSEVELT COMMISSION

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. O'MAHONEY, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. J. Res. 63]

The Committee on the Judiciary, to which was referred the resolution, (S. J. Res. 63) to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt, having considered the same, reports favorably thereon, with an amendment, and recommends that the bill, as amended, do pass.

AMENDMENT

On page 2, line 13, change the period to a comma and insert the following:

and including the completion of the development of Theodore Roosevelt National Memorial Park, North Dakota, created by the Act of April 25, 1947 (61 Stat. 52), as amended.

PURPOSE

The purpose of the joint resolution, as amended, is to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt.

STATEMENT

This resolution establishes a commission to be known as the Theodore Roosevelt Centennial Commission composed of 15 Commissioners as follows: The President of the United States, the President of the Senate, and the Speaker of the House of Representatives, all ex officio; and 8 persons to be appointed by the President of the United States, 2 Senators to be appointed by the President of the Senate, and 2 Representatives to be appointed by the Speaker of the House of Representatives.

The Commission shall have the duty of preparing appropriate plans and a program for signalizing the 100th anniversary of the birth of Theodore Roosevelt. The Commission is required to report to the Congress by March 1, 1956, to permit the enactment of further enabling legislation. Any expenses of the Commission are to be appropriated by the Congress.

Theodore Roosevelt was born in New York City on October 27, 1858. He died in 1919. There were many, during Mr. Roosevelt's lifetime, who looked past his achievements as statesman, popular leader, and President of the United States to what they regard as his yet greater service in rousing the consciousness of the Nation to the ethical values underlying a free society. In season and out of season, in words and more compellingly, in action, he hammered home to his countrymen what makes free government succeed and what makes it fail; what makes a nation great and what keeps it from greatness. It has been said that Theodore Roosevelt was one of the great teachers of the essentials of popular self-government that the world has ever known.

The creation of the Theodore Roosevelt Commission would honor the memory of Theodore Roosevelt on the centennial of his birth which will take place on October 27, 1958. The committee is of the opinion that the Commission will recall to the consciousness of the American people and freemen throughout the world, the privileges and responsibilities of citizenship in a republic and to reaffirm those ethical foundations of a free society which all his life Theodore Roosevelt propounded and fought for. A centennial observance of such aims has implications not only of national but of worldwide significance.

The committee has amended the joint resolution so as to include plans for the completion and development of the Theodore Roosevelt National Memorial Park. This park consists of the North, South, and Elkhorn Branch units. These areas comprise a total of 73,450 acres. It is unique not only in name, being the only national memorial park in the national park system, but it also combines scenic, geological, and biological qualities. Theodore Roosevelt was keenly aware of the character of such priceless phenomena. He believed that his association in and with the spectacular Badlands in the Little Missouri River Basin was a vital link in the chain of experience which lead to his success. The committee amendment would call attention to this memorial park along with the Roosevelt Island in the Potomac River in order that the development of both may be considered for completion in time for the centennial celebration.

The committee is of the opinion the life of this great American has been an inspiration to millions of persons regardless of political affiliation. Theodore Roosevelt's development from a sickly child to a vigorous soldier, explorer, and statesman, is a worthy challenge to the youth of every generation. The committee therefore believes that it is incumbent upon the Congress of the United States to take appropriate steps to mark the 100th anniversary of the birth of Theodore Roosevelt which will take place on October 27, 1958. The committee, therefore, recommends favorable consideration of Senate Joint Resolution 63, as amended.

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Calendar No. 769

84TH CONGRESS, 1st Session } SENATE { REPORT No. 762

AMENDING THE AMERICAN LEGION CHARTER

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. O'MAHONEY, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 3813]

The Committee on the Judiciary, to which was referred the bill (H. R. 3813) to amend the act incorporating the American Legion so as to redefine eligibility for membership therein, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

STATEMENT

The American Legion was incorporated by act of Congress September 16, 1919 (41 Stat. 285).

This bill makes a simple amendment to the act incorporating the American Legion relating to Korean veterans. Under present law, Korean veterans are eligible for membership in the American Legion by virtue of title 36, United States Code, section 45, which provides eligibility for those who served in the Armed Forces from June 25, 1950, to the date of cessation of hostilities. This legislation makes the cutoff date for membership definite—July 27, 1953—the date the truce went into effect, in place of the less definite provision, to wit, "the date of cessation of hostilities."

The committee is of the opinion that this clarification is meritorious and, accordingly, recommends favorable consideration of H. R. 3813, without amendment.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 3 OF THE ACT APPROVED SEPTEMBER 16, 1919, ENTITLED "AN ACT TO INCORPORATE THE AMERICAN LEGION", AS AMENDED

* * * * * * *

SEC. 3. That the purpose of this corporation shall be: To uphold and defend the Constitution of the United States of America; to promote peace and good will among the peoples of the United States and all the nations of the earth; to preserve the memories and incidents of the two World Wars *and the Korean hostilities* fought to uphold democracy; to cement the ties and comradeship born of service; and to consecrate the efforts of its members to mutual helpfulness and service to their country.

* * * * * * *

SECTION 5 OF THE ACT APPROVED SEPTEMBER 16, 1919, ENTITLED "AN ACT TO INCORPORATE THE AMERICAN LEGION", AS AMENDED

* * * * * * *

SEC. 5. That no person shall be a member of this corporation unless he has served in the naval or military services of the United States at some time during any of the following periods: April 6, 1917, to November 11, 1918; December 7, 1941, to September 2, 1945; June 25, 1950, [to the date of cessation of hostilities, as determined by the United States Government] *to July 27, 1953*; all dates inclusive, or who, being a citizen of the United States at the time of entry therein, served in the military or naval service of any of the governments associated with the United States during said wars or hostilities: *Provided, however*, That such person shall have an honorable discharge or separation from such service or continues to serve honorably after any of the aforesaid terminal dates.

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Calendar No. 770

84TH CONGRESS, 1st Session } SENATE { REPORT No. 763

AMENDING THE AMVETS CHARTER

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. O'MAHONEY, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 4754]

The Committee on the Judiciary, to which was referred the bill (H. R. 4754) to redefine eligibility for membership in AMVETS (American Veterans of World War II), having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to amend the Federal charter of the American Veterans of World War II so as to redefine eligibility for membership in that organization.

STATEMENT

The American Veterans of World War II (AMVETS) were chartered by act of Congress July 23, 1947 (61 Stat. 407). Under present law Korean veterans are not eligible for membership in AMVETS. This bill makes Korean veterans eligible for such membership. There appears no reason why Korean veterans should not be entitled to the same membership rights in AMVETS as others who have served in the Armed Forces in time of conflict.

Accordingly, the Committee on the Judiciary favorably recommends H. R. 4754, without amendment.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 6 OF THE ACT APPROVED JULY 23, 1947 (PUBLIC LAW 216, EIGHTIETH CONGRESS, 61 STAT. 407; 36 U. S. C. 67E) AS AMENDED

* * * * * * *

SEC. 6. Any person who served in the Armed Forces of the United States of America or any American citizen who served in the armed forces of an allied nation of the United States on or after September 16, 1940, [and before the legal termination of World War II] *and on or before January 31, 1955*, is eligible for regular membership in AMVETS, provided such service when terminated by discharge or release from active duty be by honorable discharge or separation. No person who is a member of, or who advocates the principles of, any organization believing in, or working for, the overthrow of the United States Government by force, and no person who refuses to uphold and defend the Constitution of the United States, shall be privileged to become, or continue to be, a member of this organization.

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Calendar No. 771

84TH CONGRESS
1st Session

SENATE

REPORT
No. 764

ADDITIONAL FUNDS FOR COMMITTEE WORK

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. Res. 123]

The Committee on Agriculture and Forestry reports an original resolution providing for additional funds necessary to carry on the regular legislative work of the committee; and recommends that the resolution do pass without amendment.

The committee is currently holding hearings on price-support legislation, including H. R. 12, which has been passed by the House. In order to obtain the views of agricultural producers in the various regions of the country and to afford them an opportunity to be heard, the committee plans to hold hearings on this and other matters within the committee's jurisdiction in different parts of the country during the recess of Congress.

A proposed budget, approved by the committee, is attached hereto and made a part of said report.

Proposed budget for period Aug. 1, 1955, to Dec. 31, 1956

Field investigations and hearings, including travel, per diem, and communications cost of committee members and staff, and travel costs of witnesses	$15,000
Recording of proceedings	5,000
Total	20,000

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Calendar No. 772

84TH CONGRESS, 1st Session } SENATE { REPORT No. 765

WEATHER FORECASTING SERVICES

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. Res. 82]

The Committee on Agriculture and Forestry, to whom was referred the resolution (S. Res. 82) to request reports from the Secretaries of Commerce and Agriculture concerning farm weather forecasting services, having considered the same, report thereon with a recommendation that it do pass with amendments.

This resolution would request reports from the Secretaries of Commerce and Agriculture on farm weather forecasting services, past, present, and proposed or recommended, including additional services made possible through recent appropriation actions.

The committee amendments would (1) require the Secretary of Commerce's report to be made by January 6, 1956, instead of May 1, 1955, which has now passed; (2) correct the reference to this committee; and (3) renumber the clauses of the resolution to make it grammatically correct.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 9, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of March 25, 1955, for a report on Senate Resolution 82, a resolution concerning an adequate weather forecasting service for the Nation's farmers.

The Department has no objection to Senate Resolution 82, since we would be glad to make such a report as requested by the resolution, if that is desired. The due date (May 1, 1955), of course, would need to be changed.

The resolution requests that a report be made to the Senate Committee on Agriculture and Forestry, by the Secretary of Commerce, as to (1) the steps taken, since the transfer of the Weather Bureau from the Department of Agriculture, to expand and improve horticultural and agricultural weather forecasting services to assist farmers in planning their operations, and (2) what plans have been made

by the Department of Commerce to meet any deficiencies that may have been observed. In addition, the resolution requests that the Secretary of Agriculture report his recommendations for an adequate forecasting service for the Nation's farmers.

In this connection we should like to point out that the Weather Bureau has been most cooperative in furnishing weather data to our scientists.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

DEPARTMENT OF COMMERCE,
Washington 25, June 16, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your letter of March 25, 1955, requesting the comments of this Department with respect to Senate Resolution 82, a resolution requesting that a report be made to the Senate Agriculture Committee by the Secretary of Commerce and the Secretary of Agriculture as to steps taken to improve and expand horticultural and agricultural weather forecasting services.

The Department of Commerce would interpose no objection to the passage of Senate Resolution 82.

The information requested by the resolution, insofar as it relates to the activities undertaken by the Department since 1939 in the field of horticultural and agricultural forecasting services and the plans of the Secretary of Commerce with respect thereto, can be made readily available to the Committee on Agriculture and Forestry of the Senate upon request.

The Bureau of the Budget has advised that it would interpose no objection to the submission of this report to your committee.

Sincerely yours,

L. S. ROTHSCHILD,
Acting Secretary of Commerce.

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Calendar No. 773

84TH CONGRESS, 1st Session | SENATE | REPORT No. 766

AMENDING THE COMMODITY EXCHANGE ACT SO AS TO INCLUDE ONIONS

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. HOLLAND, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H. R. 122]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 122) to amend the Commodity Exchange Act, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would add onions to the commodities subject to futures trading regulation under the Commodity Exchange Act; and is the same as H. R. 6435 as reported last year by your committee. H. R. 6435 was passed by the Senate with a floor amendment relating to coffee, which was not accepted by the House.

REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON H. R. 122

Your subcommittee to whom was referred the bill (H. R. 122) to amend the Commodity Exchange Act, having considered the same report thereon with the unanimous recommendation that it do pass without amendment.

H. R. 122 would add onions to the list of commodities covered by the Commodity Exchange Act. The principal effects of this would be to require registration of exchanges, commission merchants, and floor brokers dealing in onion futures, and to provide for regulation of onion futures trading to prevent such undesirable practices as price manipulations and corners. A similar bill was passed by the Senate during the 83d Congress.

The favorable report of the Department of Agriculture on the Senate companion bill, S. 1538, is attached as a part of this report. There was no opposition to the bill.

SPESSARD L. HOLLAND, *Chairman.*
EARLE C. CLEMENTS,
GEORGE D. AIKEN,
JOHN J. WILLIAMS.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 28, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your letter of March 24, with which you referred S. 1538 for consideration and report.

The Department recommends the enactment of S. 1538.

This bill would amend the Commodity Exchange Act, as amended, by adding onions to the list of commodities in which futures trading on commodity exchanges is subject to regulation under the provisions of that act.

It should be kept in mind that owing to the perishable nature of onions and their susceptibility to wide price fluctuations, regulation of futures trading in onions under the Commodity Exchange Act could not prevent the wide seasonal price swings traditional in the marketing of onions. Nevertheless, the enactment of S. 1538 would place the Department in position to ascertain the facts as to what actually takes place in the onion-futures market. It would also enable the Department to deny trading privileges to persons found, after notice and opportunity for hearing, to have manipulated onion prices or to have engaged in other trading practices prohibited by the statute. Also, information developed under authority of the Commodity Exchange Act, as amended by S. 1538, could provide a factual basis for determining whether trading in onion futures is in the public interest or whether the Congress should consider legislation directed to the substantial curtailment or the prohibition of such trading.

The Department estimates that the enactment of S. 1538 would necessitate an additional annual appropriation of approximately $40,000 for the enforcement of the Commodity Exchange Act.

The Bureau of the Budget advises that, from the standpoint of the program of the President, there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

COMMODITY EXCHANGE ACT, AS AMENDED

* * * * * * *

SEC. 2. (a) For the purposes of this Act "contract of sale" shall be held to include sales, agreements of sale and agreements to sell. The word "person" shall be construed to import the plural or singular, and shall include individuals, associations, partnerships, corporations, and trusts. The word "commodity" shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, *onions*, Solanum tuberosum (Irish potatoes), wool, wool tops, fats and oil (including lard, tallow, cottonseed oil, peanut oil, soybean oil and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans and soybean meal. * * *

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Calendar No. 774

84TH CONGRESS, 1st Session } SENATE { REPORT No. 767

TRADE DEVELOPMENT

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. EASTLAND, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 2253]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2253) to reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954, having considered the same, report thereon with a recommendation that it do pass with an amendment.

This bill would strengthen title I of the Agricultural Trade Development and Assistance Act of 1954 (which provides for the sale of surplus agricultural commodities for foreign currencies) as an instrument of trade development by—

(1) Striking out references to foreign policy in the declaration of policy contained in the act;

(2) Increasing the transactions authorized by title I of the act from those calling for appropriations of $700 million to those calling for appropriations of $1,500 million and providing that such limitation shall not be apportioned by year or country;

(3) Authorizing the Secretary of Agriculture to determine the countries, commodities, quantities, and uses for currencies, to be covered by agreements under title I; and

(4) Making cargo preference laws inapplicable to sales under title I.

The bill was introduced as a result of recommendations set out in a committee print of a report by the majority of this committee's subcommittee on disposal of agricultural surpluses. Those recommendations were made after extensive hearings at which many witnesses discussed the problems of making sales under title I.

One difficulty which appeared from the hearings was that caused by the division of responsibility and authority for administering title I among agencies having varying fields of authority and placing varying emphasis on the objectives of that title. The primary objective of the

title is to develop trade through sales of surplus agricultural commodities. While sales under the title should be carried on in a manner consistent with and designed to advance our foreign policy, the title was not intended to be used primarily as an instrument of foreign policy. The first and third sections of S. 2253 would correct this difficulty by centering primary authority in the Secretary of Agriculture and by eliminating foreign policy objectives from those enumerated in the declaration of policy of the act.

Section 2 of the bill would increase the limitation on title I transactions from $700 million to $1,500 million as described above. As of June 30, the Department of Agriculture reported firm commitments of $468,800,000. Since initial program operations began after issuance of Executive Order 10560 on September 9, 1954, assigning responsibilities for administration, this means that about two-thirds of the total has been committed during the initial 10 months of this 3-year program. While the limitation of $700 million relates to transactions calling for appropriations of that amount rather than to transactions of that amount, it is difficult to establish what part of the transactions under the act will not call for appropriations. While some dollar return may be received during the second or third year, such return is not expected to increase substantially the transactions which could be entered into under the act. The new limitation of $1,500 million would not be apportioned by year or country. An apportionment by country of $453 million for the first year was made at one time under the act, but this apportionment was later abandoned.

Section 4 of the bill makes cargo-preference laws inapplicable to sales under title I. Title I is designed as a trade program. Farm products are sold to foreign countries who must pay for the full amount of the sale in their own currency. The best potential markets for our farm products are in many instances maritime nations. These countries naturally object to cargo-preference provisions which require that half of the products sold be transported on American vessels. When sales are made to maritime nations or to countries which could pay for their own transportation, cargo-preference provisions require the Commodity Credit Corporation to expend unnecessary dollars for transportation. These dollars could otherwise be used to finance the purchase of additional farm products. In addition, the freight on United States vessels is sometimes above the prevailing rate and, in order to make sales in such cases, the Government is paying this excess without receiving foreign currency from the purchaser therefor. During the period January 7 to June 24 this year the Government approved shipping on 40 United States-flag tramps on which the excess was approximately $1,162,258.25 and 1 United States-flag liner on which the excess was approximately $24,750.

The committee amendment simply corrects a reference to title I of "this Act" to "title I of the Agricultural Trade Development and Assistance Act of 1954".

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC LAW 480, 83D CONGRESS

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities [in furtherance of the foreign policy of the United States], and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, *and* to promote collective strength[, and to foster in other ways the foreign policy of the United States].

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TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 103. * * *

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of [$700,000,000] *$1,500,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.*

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SEC. 106. *To provide authority commensurate with the responsibility assigned to him in Executive Order 10560 of September 9, 1954, the Secretary of Agriculture is authorized (1) to determine the surplus agricultural commodities and the quantities thereof that may be offered for sale under this Act, (2) to determine the nations with whom agreements should be negotiated, and (3) to determine the commodities and quantities thereof and the uses of the funds that accrue therefrom, which may be included in the negotiations with each such country, with the advice of other agencies of government affected and within broad policies laid down by the President for implementing this Act.* As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

(NOTE.—The following acts shall not apply to transactions under title I of Public Law 480, 83d Cong.:)

ACT OF MARCH 26, 1934, AS AMENDED

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of Congress that in any loans made by the Reconstruction Finance Corporation or any other instrumentality of the Government to foster the exporting of agricultural or other products, provision shall be made that such products shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the United States Maritime Commission, after investigation, shall certify to the Reconstruction Finance Corporation or any other instrumentality of the Government that vessels of the United States are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

MERCHANT MARINE ACT OF 1936, AS AMENDED

SEC. 901. * * *

(b) Whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provision for reimbursement, any equipment, materials, or commodities, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such equipment, materials, or commodities, the appropriate agency or agencies shall take such steps as may be necessary and practicable to assure that at least 50 per centum of the gross tonnage of such equipment, materials, or commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers), which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographic areas: *Provided*, That the provisions of this subsection may be waived whenever the Congress by concurrent resolution or otherwise, or the President of the United States or the Secretary of Defense declares that an emergency exists justifying a temporary waiver of the provisions of section 901 (b) and so notifies the appropriate agency or agencies: *And provided further*, That the provisions of this subsection shall not apply to cargoes carried in the vessels of the Panama Canal Company. Nothing herein shall repeal or otherwise modify the provisions of Public Resolution Numbered 17, Seventy-third Congress (48 Stat. 500), as amended.

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